

ENSLEY TOWNSHIP
NEWAYGO COUNTY, MICHIGAN
AUDIT REPORT
MARCH 31, 2007

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name ENSLEY TOWNSHIP	County NEWAYGO
Fiscal Year End MARCH 31, 2007	Opinion Date MAY 24, 2007	Date Audit Report Submitted to State JUNE 19, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) TERRY KIRKPATRICK, CPA, P.C.		Telephone Number 231-796-3332	
Street Address 211 MAPLE STREET		City BIG RAPIDS	State MI
		Zip 49307	
Authorizing CPA Signature 		Printed Name TERRY D. KIRKPATRICK	License Number 18035

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Independent Auditor's Report

To the Township Board
Ensley Township, Newaygo County

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ensley Township, Newaygo County, Michigan, as of and for the year ended March 31, 2007, which collectively comprise Ensley Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Ensley Township, Newaygo County, Michigan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ensley Township, Newaygo County, Michigan, as of March 31, 2007, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Ensley Township has implemented a new financial reporting model, as required by provisions of GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis- for State and Local Governments*. Management has elected not to present the Management's Discussion and Analysis portion of the financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Ensley Township, Newaygo County, Michigan basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

 Terry Kirkpatrick, CPA, P.C.

Big Rapids, Michigan
May 24, 2007

BASIC FINANCIAL STATEMENTS

Ensley Township – Newaygo County, Michigan

Government Wide Statement of Net Assets

March 31, 2007

With Comparative Amounts at March 31, 2006

	Governmental Activities	
	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and Cash Equivalents	\$ 541,943	\$ 541,820
Receivables - Other Governmental Units	28,184	25,141
Capital Assets (Net)	69,720	72,728
Total assets	<u>\$ 639,847</u>	<u>\$ 639,689</u>
LIABILITIES		
Deposits and Accounts Payable	\$ 4,998	\$ 3,522
NET ASSETS		
Invested in capital assets, net of related debt	69,720	72,728
Unrestricted	565,129	563,439
Total net assets	<u>634,849</u>	<u>636,167</u>
Total liabilities and net assets	<u>\$ 639,847</u>	<u>\$ 639,689</u>

The "Notes to Financial Statements" are an integral part of these statements.

Ensley Township – Newaygo County, Michigan
Government Wide Statement of Activities
For the Year Ended March 31, 2007
With Comparative Totals for the Year Ended March 31, 2006

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Governmental Activities</u> <u>Net (Expense)</u> <u>Revenue and Changes in Net Assets</u>	<u>Totals</u> <u>2006</u>
PRIMARY GOVERNMENT					
General Government	\$ 127,454	\$ 0	\$ 0	\$ (127,454)	\$ (110,546)
Public Safety	103,468	0	0	(103,468)	(117,452)
Public Works	233,482	187,702	0	(45,780)	(37,247)
Cultural and Recreation	5,075	0	0	(5,075)	(3,073)
Other Functions	12,396	0	0	(12,396)	(13,499)
Depreciation (unallocated)	3,008	0	0	(3,008)	(3,008)
Total primary government	\$ 484,883	\$ 187,702	\$ 0	\$ (297,181)	\$ (284,825)
General Revenues					
Property Tax, levied for general operations				60,928	57,343
Licenses and Permits				2,956	3,169
State Grants				175,100	176,959
Charges for Services				30,509	24,150
Interest Earnings				17,163	5,814
Other Revenue				9,207	13,498
Total general revenues				295,863	280,933
Change in Net Assets				(1,318)	(3,892)
Net assets - Beginning of year				636,167	640,059
Net assets - End of year				\$ 634,849	\$ 636,167

The "Notes to Financial Statements" are an integral part of these statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Ensley Township -- Newaygo County, Michigan
 Governmental Fund Balance Sheet
 March 31, 2007
 With Comparative Totals at March 31, 2006

	General Fund	Road Fund	Non-Major Governmental Funds	Total Governmental Funds	Total 2006
ASSETS					
Cash and Cash Equivalents	\$ 323,231	\$ 205,946	\$ 12,766	\$ 541,943	\$ 541,820
Due from Newaygo County	6,522	21,472	0	27,994	24,851
Due from Current Tax Fund	190	0	0	190	290
Total assets	\$ 329,943	\$ 227,418	\$ 12,766	\$ 570,127	\$ 566,961
LIABILITIES AND FUND EQUITY					
Deposits and Accounts Payable	\$ 4,998	\$ 0	\$ 0	\$ 4,998	\$ 3,522
Fund Balance - Unreserved and Undesignated	324,945	227,418	12,766	565,129	563,439
Total liabilities and fund equity	\$ 329,943	\$ 227,418	\$ 12,766	\$ 570,127	\$ 566,961
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets					
Total Governmental Fund Balances				\$ 565,129	\$ 563,439
Amounts reported for governmental activities in the statement of net assets are different because:					
Cost of capital assets, net of depreciation				69,720	72,728
Net assets of governmental activities				\$ 634,849	\$ 636,167

The "Notes to Financial Statements" are an integral part of these statements.

Ensley Township – Newaygo County, Michigan
Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended March 31, 2007
With Comparative Totals for the Year Ended March 31, 2006

	General Fund	Road Fund	Non-Major Governmental Funds	Total Government Funds	Totals 2006
REVENUES					
Property Tax	\$ 60,928	\$ 187,702	\$ 0	\$ 248,630	\$ 233,520
Licenses and Permits	2,956	0	0	2,956	3,169
State Grants	175,100	0	0	175,100	176,959
Charges for Services	8,270	0	22,239	30,509	24,150
Interest and Rents	12,593	4,570	0	17,163	5,814
Other Revenue	4,681	4,526	0	9,207	13,498
Total revenues	264,528	196,798	22,239	483,565	457,110
EXPENDITURES					
General Government	127,454	0	0	127,454	110,546
Public Safety	82,709	0	20,759	103,468	117,452
Public Works	37,397	196,085	0	233,482	213,424
Cultural and Recreation	5,075	0	0	5,075	3,073
Other Functions	12,396	0	0	12,396	13,499
Total expenditures	265,031	196,085	20,759	481,875	457,994
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(503)	713	1,480	1,690	(884)
Fund Balance - April 1,	325,448	226,705	11,286	563,439	564,323
Fund Balance - March 31,	\$ 324,945	\$ 227,418	\$ 12,766	\$ 565,129	\$ 563,439

The "Notes to Financial Statements" are an integral part of these statements.

Ensley Township – Newaygo County, Michigan

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Year Ended March 31, 2007

With Comparative Amounts for the Year Ended March 31, 2006

	<u>2007</u>	<u>2006</u>
Net Change in Fund Balances - Total Government Funds	\$ 1,690	\$ (884)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation		
Depreciation expense	<u>(3,008)</u>	<u>(3,008)</u>
Change in Net Assets of Governmental Activities	<u>\$ (1,318)</u>	<u>\$ (3,892)</u>

The "Notes to Financial Statements" are an integral part of these statements.

Ensley Township – Newaygo County, Michigan

Fiduciary Fund

Statement of Net Assets

March 31, 2007

With Comparative Amounts at March 31, 2006

	<u>Agency Fund Type</u>	
	<u>Property Tax Collection Fund</u>	
	<u>2006</u>	<u>2007</u>
ASSETS		
Cash and Cash Equivalents	<u>\$ 290</u>	<u>\$ 190</u>
LIABILITIES		
Due to General Fund	<u>\$ 290</u>	<u>\$ 190</u>

The "Notes to Financial Statements" are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Ensley Township conform to accounting policies generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Ensley Township:

Reporting Entity

The Township is governed by an elected, five-member, Board. The accompanying financial statements present the government and its component units; entities for which the government is considered to be financially accountable. Based on the application of the criteria, the Township does not contain any component units.

Government – Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Based Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be “available” if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes – Ensley Township’s property tax is levied on each December 1st on the taxable valuation of property located within Ensley Township as of the preceding December 31st.

Ensley Township – Newaygo County, Michigan

Notes to Financial Statements - Continued
For the Year Ended March 31, 2007

Although the Ensley Township 2006 ad valorem tax is levied and collectible on December 1, 2006, it is Ensley Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations.

The 2006 taxable valuation of Ensley Township totaled approximately \$63,945,000, on which ad valorem taxes levied consisted of .8915 mills for the Township operating purposes and an additional 2.9345 mills for roads. These amounts are recognized in the respective General and Special Revenue Fund financial statements as Due from Newaygo County and/or as a tax revenue.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted-for in another fund.

The Road Fund is used to record property tax and interest for expenditures for road improvements.

Additionally, the Township reports the following fund types:

The Township reports a Fiduciary Fund (Agency Fund). This fund accounts for taxes and special assessments collected by the Township as an agent for other taxing units. Fiduciary Fund net assets and results of operations are not included in the government-wide financial statements. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The Township reports one non-major special revenue funds for a building and electrical fund.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Assets, Liabilities and Net Assets or Equity

Deposits and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other funds". Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds".

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st and are considered delinquent on March 1st of the following year, at which time interest and penalties are assessed.

Capital Assets – Capital assets, which include property, plant and equipment assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$3,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Building	40 years
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Ensley Township – Newaygo County, Michigan

Notes to Financial Statements - Continued
For the Year Ended March 31, 2007

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental units. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, function, activity and line items. The legal level of budgetary control adopted by the governing body is the activity level. State law requires the Township have its budget in place by April 1st. Expenditures in excess of amounts budgeted is a violation of Michigan Law. State law permits a township to amend its budgets during the year.

NOTE C – DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations, which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township has designated two banks for the deposit of Township Funds. The investment policy adopted by the Township Board in accordance with Public Act 196 of 1997 has authorized investment in bank accounts and certificates of deposit, but not the remainder of State statutory authority as listed above.

The Township's deposits and investment policy are in accordance with statutory authority.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 541,943

The bank balance of the primary government's deposits is \$543,244, of which \$230,000 is covered by federal depository insurance.

NOTE D – RECEIVABLES

Receivables as of year-end for the government's individual major and non-major funds are as follows:

	General	Road Millage	Non-Major	Total
Taxes receivable	\$ 6,522	\$ 21,472	\$ 0	\$ 27,994

NOTE E – CAPITAL ASSETS

Capital asset activity of the governmental activities for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated				
Buildings	\$ 204,766	\$ 0	\$ 0	\$ 204,766
Less Accumulated depreciation for Capital assets	(132,038)	(3,008)	(0)	(135,046)
Net capital assets	\$ 72,728	\$ (3,008)	\$ 0	\$ 69,720

Depreciation expense was not charged to activities as the Township considers its assets to impact multiple activities and allocation is not practical.

NOTE F– INTERFUND RECEIVABLES and PAYABLES

Receivable Fund	Payable Fund	Amount
General	Agency	\$ 190

NOTE G – RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). The Township has purchased workers' compensation insurance for such claims. Settled claims relating to the workers' compensation insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTAL INFORMATION

Ensley Township – Newaygo County, Michigan
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended March 31, 2007
 With Comparative Actual Amounts For the Year Ended March 31, 2006

	Original Budget	Amended Budget	Actual	Variance with Final Budget Favorable (Unfavorable)	Actual 2006
BEGINNING OF YEAR FUND BALANCE	\$ 325,448	\$ 325,448	\$ 325,448	\$ 0	\$ 330,330
Resources (inflows)					
Property Tax	56,825	56,825	60,928	4,103	57,343
Licenses and Permits	2,100	2,100	2,956	856	3,169
State Grants	180,000	180,000	175,100	(4,900)	176,959
Charges for Services	4,500	4,500	8,270	3,770	5,935
Interest and Rents	2,000	2,000	12,593	10,593	3,468
Other Revenue	12,000	12,000	4,681	(7,319)	9,628
Amounts Available for Appropriation	582,873	582,873	589,976	7,103	586,832
Charges to Appropriations (outflows)					
General Government					
Township board	29,940	36,190	36,160	30	25,686
Supervisor	8,190	7,790	7,783	7	7,944
Elections	3,500	3,300	3,297	3	1,679
Assessor	20,850	23,850	23,753	97	21,139
Clerk	15,205	15,205	15,162	43	13,988
Board of review	1,050	900	862	38	995
Treasurer	17,715	17,565	17,343	222	16,264
Townhall	6,500	4,500	4,388	112	4,782
Cemetery	15,000	18,710	18,706	4	18,069
Public Safety					
Fire protection	38,700	36,300	36,150	150	35,428
Police protection	32,000	24,950	24,964	(14)	44,094
Building and zoning	11,150	10,430	10,136	294	10,043
Planning	10,850	11,460	11,459	1	10,864
Public Works					
Highways, streets & bridges	43,050	44,450	36,892	7,558	33,262
Public Drain	1,000	500	410	90	491
Street lighting	100	100	95	5	84
Cultural Recreation					
Parks	4,250	5,200	5,075	125	3,073
Other Functions					
Insurance and Bonds	8,000	7,400	7,350	50	7,682
Social security/ medicare tax	1,600	1,450	1,473	(23)	1,650
Retirement	4,200	3,600	3,573	27	4,167
Total Charges to Appropriations	272,850	273,850	265,031	8,819	261,384
Budgetary Fund Balance - March 31,	\$ 310,023	\$ 309,023	\$ 324,945	\$ 15,922	\$ 325,448

Ensley Township – Newaygo County, Michigan
 Budgetary Comparison Schedule
 Road Fund
 For the Year Ended March 31, 2007
 With Comparative Actual Amounts for the Year Ended March 31, 2006

	Original Budget	Amended Budget	Actual	Variance with Final Budget Favorable (Unfavorable)	Actual 2006
BEGINNING OF YEAR FUND BALANCE	\$ 226,705	\$ 226,705	\$ 226,705	\$ 0	\$ 223,899
Resources (inflows)					
Property Tax	176,500	176,500	187,702	11,202	176,177
Interest and Rents	1,500	1,500	4,570	3,070	2,346
Other Revenue	3,900	3,900	4,526	626	3,870
Amounts Available for Appropriation	408,605	408,605	423,503	14,898	406,292
Charges to Appropriations (outflows)					
Public Works					
Highways, Streets, and Bridges	266,567	266,567	196,085	70,482	179,587
BUDGETARY FUND BALANCE - March 31	\$ 142,038	\$ 142,038	\$ 227,418	\$ 85,380	\$ 226,705

OTHER SUPPLEMENTAL INFORMATION

Ensley Township – Newaygo County, Michigan

Balance Sheet

Non-Major Governmental Funds

March 31, 2007

With Comparative Amounts at March 31, 2006

	<u>Building and Electrical Fund</u>	
	<u>2006</u>	<u>2007</u>
ASSETS		
Cash and Cash Equivalents	\$ 11,286	\$ 12,766
LIABILITIES AND FUND EQUITY		
Fund Balance		
Unreserved and undesignated	\$ 11,286	\$ 12,766

Ensley Township – Newaygo County, Michigan
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Non-Major Governmental Fund
 For the Year Ended March 31, 2007
 With Comparative Amounts for the Year Ended March 31, 2006

	<u>Building and Electrical Fund</u>	
	<u>2006</u>	<u>2007</u>
REVENUES		
Charges for Services	\$ 18,215	\$ 22,239
EXPENDITURES		
Public safety	<u>17,023</u>	<u>20,759</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,192	1,480
FUND BALANCE - April 1,	<u>10,094</u>	<u>11,286</u>
FUND BALANCE - March 31,	<u>\$ 11,286</u>	<u>\$ 12,766</u>

TERRY KIRKPATRICK, CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

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May 24, 2007

Members of the Township Board
Ensley Township
Newaygo County, Michigan

I have recently completed my audit of the basic financial statements of Ensley Township for its year ended March 31, 2007. During this audit, I had an opportunity to observe accounting and financial procedures and many of your general management practices. As a result of my auditing procedures, there are some comments I want to present.

FINANCIAL RECORDS IN GOOD ORDER

The Township Clerk and Treasurer appear to have done a very good job of maintaining the financial records of Ensley Township again this year. Keep up the good work.

OTHER MATTERS

I want to thank your personnel for the courtesy and cooperation shown me by them during the audit.

I have mailed two copies of the audit report and this letter to the Michigan Department of Treasury.

If you have any questions regarding the above or the audit, please contact me.

Terry Kirkpatrick, CPA, P.C.